

SIXTEENTH ANNUAL REPORT

1989

(Fiscal Year ended June 30th)



**The Law
Foundation
of Saskatchewan
Regina, SASK.**

THE LAW FOUNDATION

REPORT OF THE LAW FOUNDATION OF SASKATCHEWAN
TO THE HONOURABLE MINISTER OF JUSTICE OF SASKATCHEWAN
PURSUANT TO SECTION 50 OF THE LEGAL PROFESSION ACT,
R.S.S. 1978 AND AMENDMENTS THERETO FOR THE
FISCAL YEAR ENDING JUNE 30TH, 1989

I am pleased to file with you the attached Financial Statements of the Law Foundation for the fiscal year ending June 30th, 1989 as audited by Deloitte, Haskins & Sells, Chartered Accountants, being the firm appointed for that purpose by the Benchers of the Law Society of Saskatchewan pursuant to Section 47(7) of the Legal Profession Act and also to provide you with our 16th annual report on behalf of the Board of the Law Foundation on the activities of the Foundation for the year.

The Foundation received income of \$2,119,000 from mixed trust accounts in 1988/89, an increase of \$704,000 over 1987/88 income of \$1,415,000; the increase was due to a prime rate higher during 1988/89 than 1987/88.

During the fiscal period ended June 30, 1989, the Foundation paid out \$1,199,344 in grants for the year. Grants authorized and unpaid at the end of the year totaled \$1,720,622 (Schedule "I"). The reserve account was increased to \$1,800,000 and the unallocated revenue balance was \$8,466. The administration costs of the Foundation during the past year were 4.0% of gross income. The day to day operations of the Foundation are handled by the Secretary, Mr. H. Robert Arscott, F.C.A., of the firm Arscott & Partners, C.A.'s, Regina, on a fee for service basis.

During the fiscal period ending June 30, 1989 the Foundation authorized the following grants:

College of Law - Endowed Chair	\$800,000
* Law Libraries	565,000
* Public Legal Education Association	300,000
* Law Reform Commission	120,000
* Continuing Legal Education	110,000
* College of Law - Endowment Fund	100,000
* Canadian Law Information Council	16,500
Law Society - Referral Service	15,000
Elizabeth Fry Society	15,000
Provincial Court Libraries	14,000
* Canadian Bar Review - 1988 & 1989	10,250
Western Judicial Centre	9,725
* Saskatchewan Elocution & Debate	
Workshop & 1989 Grant	7,400
* Saskatoon Sexual Assault Centre	6,500
National Committee on Legal Education	5,000
Public Legal Education - Special	3,640
John Howard Society	<u>1,000</u>
	<u><u>\$2,099,015</u></u>

Those grants marked with an asterisk are ongoing commitments of the Foundation.

The Law Foundation was approached on October 19, 1988 with a request to assist with the endowment of the new Chair at the College of Law, University of Saskatchewan. The cost of such endowment was determined to be \$1,200,000, and after negotiation with the University of Saskatchewan it was agreed in March of 1989 that the Foundation would provide \$800,000 towards the cost of such endowment and the University of Saskatchewan would provide the remaining \$400,000. The Chair so endowed shall be known as the Law Foundation of Saskatchewan Chair and its incumbent, the Law Foundation of Saskatchewan Professor. The terms of reference for the new Chair provide that the incumbent will be an accomplished legal scholar or a leading figure with a background in law and an established interest in scholarly investigation and practice relating to issues in law and legal policy. It is anticipated that an appointment to the Chair will be made by the Dean of the College of Law by July 1, 1990. The Foundation having received unforeseen revenues as a result of increased prime rates during the fiscal period ended June 30, 1989 was most pleased to be able to assist in this endowment and anticipates an enrichment in the program of study available to students at the College of Law.

The Foundation Board met four times during the year, with three of its members attending the annual meeting of the Canadian Law Foundations held in conjunction with the Canadian Bar Association annual meeting at Vancouver in August, 1989. The annual meeting of the Law Foundations concerns itself with projects of a national nature. Representatives of the Saskatchewan Law Foundation again emphasized the importance of the Native Law Centre at the University of Saskatchewan and requested the continued support of other Canadian Law Foundations for this worthy project. The Canadian Foundations are supporting a presentation on their behalf by the Alberta Law Foundation to the Federal Goods and Services Tax Committee. The annual meeting of the Canadian Law Foundations was attended by observers of I.O.L.T.A. (Interest On Lawyers' Trust Accounts) of the U.S.A.

The Foundation has a continuing and ongoing concern with respect to its ability to provide funding for those projects for which it provides core funding. At a planning session held by the Foundation in August of 1986, in order to safeguard such core funding the reserve account of the Foundation was increased to \$1,250,000. Since that date the reserve account has been increased to \$1,800,000, which amount does not fully meet total annual grants made by the Foundation. It is essential for the Foundation to maintain a substantial reserve for the following reasons:

1. The Foundation's income is directly related to the prime rate and a decrease in such will result in a significant reduction of the Foundation's income.
2. With the computer capabilities now in possession of banks, more and more trust monies can be placed in individual accounts, with a consequent reduction in the Foundation's income.
3. In the event of the occurrence of either of the above and the consequent reduction in the Foundation's income, those bodies receiving core funding from the Foundation will obviously require assistance from other sources. The reserve presently established will give a lead time of only one year for such alternative funding to be found.

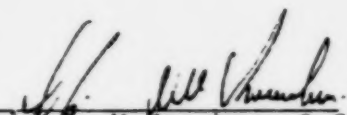
The Foundation has received with much regret the resignation of its Chairman of 16 years, Mr. D.K. MacPherson, Q.C., this is a result of his appointment in August, 1989 as Chief Justice of Her Majesty's Court of Queen's Bench. The Foundation wishes to acknowledge the able and strong leadership provided by Chief Justice MacPherson.

In October of 1989, the Benchers of the Law Society appointed Mr. D.S. McKercher, Q.C. as Chairman, and Mr. D. Woloshyn as a Member of the Foundation.

Foundation members are Mr. Donald S. McKercher, Q.C., Mr. H. Harry Dahlem, Q.C., Mr. J. Gordon Wicijowski, F.C.A., Mr. Dennis P. Ball, Q.C., Dean Peter MacKinnon, Mr. Brian A. Barrington-Foote, Q.C., Mr. Donald F. Woloshyn. Its Secretary is Mr. H. Robert Arscott, F.C.A.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 30th day of November, A.D. 1989.


Donald S. McKercher, Q.C.

Deloitte Haskins-Sells

Chartered Accountants

600 Royal Bank Building
2010 - 11th Avenue
Regina, Saskatchewan S4P 0J3

AUDITORS' REPORT

To the Members of the
Law Foundation:

We have examined the balance sheet of the Law Foundation as at June 30, 1989 and the statement of revenue, expenditures, grants and unallocated revenue for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Law Foundation as at June 30, 1989 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte Haskins & Sells

Chartered Accountants

October 13, 1989

LAW FOUNDATION

(Established Under The Legal Profession Act of Saskatchewan)

BALANCE SHEET

30th JUNE 1989

	<u>1989</u>	<u>1988</u>
<u>ASSETS</u>		
Cash and term deposits	\$1,264,050	\$ 536,864
Interest receivable from solicitors' trust accounts	286,345	116,267
Investments (par value)	1,880,000	1,729,000
Accrued interest on investments	97,779	75,639
Sundry receivable	<u>914</u>	<u>3,738</u>
	<u>\$3,529,088</u>	<u>\$2,461,508</u>

<u>LIABILITIES</u>		
Sundry payables	\$ -	\$ 5,142
Grants payable - Schedule "1" (Notes 2 & 3)	1,720,622	820,951
Reserve account (Note 1)	1,800,000	1,625,000
Unallocated revenue	<u>8,466</u>	<u>10,415</u>
	<u>\$3,529,088</u>	<u>\$2,461,508</u>

On behalf of the Foundation:

..... Chairman
..... Treasurer

"See Accompanying Notes to the Financial Statements."

LAW FOUNDATION

STATEMENT OF REVENUE, EXPENDITURES, GRANTS AND UNALLOCATED REVENUE

FOR THE YEAR ENDED 30th JUNE 1989

	<u>1989</u>	<u>1988</u>
REVENUE		
Interest from lawyers' mixed trust accounts	\$2,119,259	\$1,414,653
Interest earned on investments	246,424	192,022
Project and sundry revenue	<u>890</u>	<u>14,555</u>
	2,366,573	1,621,230
EXPENDITURES		
Administrative		
Foundation members		
- Office overhead	\$ 9,975	\$ 8,750
- Other	11,051	7,063
Office, postage, stationery and telephone	9,272	9,199
Office of the Secretary	54,832	53,649
Professional fees	<u>9,377</u>	<u>7,820</u>
	94,507	86,481
EXCESS OF REVENUE OVER EXPENDITURES	2,272,066	1,534,749
GRANTS AUTHORIZED IN THE YEAR		
- Schedule "2" (Notes 2 & 3)	<u>2,099,015</u>	<u>1,362,506</u>
EXCESS OF REVENUE OVER EXPENDITURES AND GRANTS FOR THE YEAR	173,051	172,143
UNALLOCATED REVENUE, BEGINNING OF YEAR	<u>10,415</u>	<u>56,640</u>
	183,466	228,783
ADD (DEDUCT):		
Grants not used and recovered	-	6,632
Allocation to reserve account	<u>(175,000)</u>	<u>(225,000)</u>
UNALLOCATED REVENUE, END OF YEAR	<u>\$ 8,466</u>	<u>\$ 10,415</u>

LAW FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

30th JUNE 1989

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles, and reflect the following policies:

Interest

A significant portion of the revenue of the Foundation is interest on accounts of the members of the Law Society of Saskatchewan. The Foundation records such interest as revenue on the accrual basis.

Reserve Account

The members of the Foundation passed a motion at their meeting of March 1981 to create a Reserve Account from Unallocated Revenue in such amounts as may be determined from time to time. The Reserve Account is a provision against any revenue reduction in the future as protection for continuing grants.

2. GRANTS PAYABLE

	<u>1989</u>
Grants payable, beginning of year	\$ 820,951
Add: Grants authorized - Schedule "2"	<u>2,099,015</u>
	2,919,966
Deduct:	
Grants paid	1,199,344
Grants not used	<u>-</u>
Grants payable, end of year - Schedule "1"	<u>\$1,720,622</u>

3. FUTURE COMMITMENTS

A future commitment of \$67,862 has been made in grants authorized and payable after the 30th June 1989, up to 1990, which will depend on the availability of funds in the future.

LAW FOUNDATION

SCHEDULE "1"

SCHEDULE OF GRANTS PAYABLE

30th JUNE 1989

College of Law - Endowed Chair	\$ 800,000
Law Libraries - 1989	270,000
College of Law - Library Endowment Fund	175,123
Public Legal Education Association	150,000
College of Law Endowment Fund	100,000
Law Reform Commission	66,692
Continuing Legal Education	54,000
Court of Appeal Rules Revision	44,307
Index of Saskatchewan Statutes	35,000
Provincial Court Libraries	14,000
Saskatoon Sexual Assault Centre	6,500
National Committee on Legal Education	<u>5,000</u>
	<u>\$1,720,622</u>

LAW FOUNDATION
SCHEDULE OF GRANTS AUTHORIZED

SCHEDULE "2"

30th JUNE 1989

College of Law - Endowed Chair	\$ 800,000
Law Libraries	565,000
Public Legal Education Association	300,000
Law Reform Commission	120,000
Continuing Legal Education	110,000
College of Law - Endowment Fund	100,000
Canadian Law Information Council	16,500
Law Society - Referral Service	15,000
Elizabeth Fry Society	15,000
Provincial Court Libraries	14,000
Canadian Bar Review - 1988 & 1989	10,250
Western Judicial Centre	9,725
Saskatchewan Elocution & Debate Workshop & 1989 Grant	7,400
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